



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB2532

Introduced 2/20/2009, by Rep. Lisa M. Dugan

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/355.2

from Ch. 73, par. 967.2

Amends the Illinois Insurance Code in relation to reimbursement rates. Provides that a health insurer that bases payment for benefits upon a usual or customary charge or other similar reimbursement methodology must disclose certain information. Replaces references to "customary fee" with "customary charge or other similar methodology" throughout the provision. Provides that under no circumstances shall rates paid by Medicaid or Medicare, or rates negotiated or set by the insurer or any other insurer in conjunction with their contracted providers, be used to determine usual and customary charges. Makes other changes. Effective January 1, 2010.

LRB096 10098 RPM 20264 b

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Section 355.2 as follows:

6 (215 ILCS 5/355.2) (from Ch. 73, par. 967.2)

7 Sec. 355.2. Reimbursement ~~Dental coverage reimbursement~~  
8 rates.

9 (a) A ~~Every~~ company that issues, delivers, amends, or  
10 renews any individual or group policy of accident and health  
11 insurance on or after the effective date of this amendatory Act  
12 of the 96th General Assembly 1991 that ~~provides dental~~  
13 ~~insurance and~~ bases payment for ~~those~~ benefits upon a usual and  
14 customary charge or other similar reimbursement methodology  
15 ~~fee charged by licensed dentists~~ must disclose all of the  
16 following:

17 (1) The frequency of the determination of the usual and  
18 customary charge or other similar methodology ~~fee~~.

19 (2) A general description of the methodology used to  
20 determine the usual and customary charge or other similar  
21 methodology ~~fees~~.

22 (3) The percentile of the usual and customary charge or  
23 other similar methodology that determines the maximum

1 allowable charge upon which the benefit is based ~~benefit~~  
2 ~~that the company will pay for any dental procedure, if the~~  
3 ~~usual and customary fee is determined by taking a sample of~~  
4 ~~fees submitted on actual claims from licensed dentists and~~  
5 ~~then determining the benefit by selecting a percentile of~~  
6 ~~those fees.~~

7 (b) The disclosure must be provided upon request to all  
8 group and individual policy holders and group certificate  
9 holders. All proposals for accident and health ~~dental~~ insurance  
10 must notify the prospective policy holder that information  
11 regarding the usual and customary charge or other similar  
12 methodology ~~fee~~ determinations is available from the insurer.  
13 ~~All employee benefit descriptions or supplemental documents~~  
14 ~~must notify the employee that information regarding~~  
15 ~~reimbursement rates is available from the employer.~~

16 (c) Under no circumstances shall rates paid by Medicaid or  
17 Medicare, or rates negotiated or set by the insurer or any  
18 other insurer in conjunction with their contracted providers,  
19 be used to determine usual and customary charges.

20 (d) For purposes of this Section, the usual and customary  
21 charge is the charge for health care that is consistent with  
22 the average rate or charge for similar services furnished by  
23 similar providers in the geographic area in which services were  
24 provided.

25 (e) Under no circumstances shall the amount of  
26 reimbursement for covered expenses be less than 50% of the

1 usual and customary charge, or similar reasonable charge when  
2 the usual and customary charge can not be calculated, for the  
3 services provided.

4 (f) Companies shall make their methodology for determining  
5 usual and customary charges available to the Department upon  
6 request. Such information shall be held confidential by the  
7 Department.

8 (Source: P.A. 87-587.)

9 Section 99. Effective date. This Act takes effect January  
10 1, 2010.